GOVERNMENT OF INDIA
HEALTH AND FAMILY WELFARE
LOK SABHA

UNSTARRED QUESTION NO:1348
ANSWERED ON:10.12.2003
MODERNIZATION OF SMALL SCALE DRUG UNITS
ADHIR RANJAN CHOWDHURY

Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state:

(a) whether the Government are aware that the implementation of schedule of notification under GSR No. 894 dated December 11, 2001 has put considerable extra financial burden on small scale drug units;

(b) if so, whether the Government have made available loans/subsidies under the modernization and upgradation scheme to small scale drug units;

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF HEALTH AND FAMILY WELFARE (SHRI A. RAJA)

(a)to(d): The objective of revised Schedule M to the Drugs & Cosmetics Rules, 1945 published vide GSR NO.894[E] dated 11-12-2003 is to achieve uniform standardization and upgradation of quality of drugs produced. The drug manufacturers are likely to required to provide for additional inputs in order to make their units conform to the standards under revised Schedule `M`.

Ministry of Small Scale Industries has launched a scheme in October, 2000 called Credit Linked Capital Subsidy Scheme (CLCSS) The scheme provides for 12% upfront capital subsidy to SSI units including tiny units on institutional finance availaed by them through 28 Banks, 12 State Financial Corporation, 34 Corporation Banks, 31 Regional Rural Banks and National Small Industries Corporation for induction of Well Established and Improved Technologies approved under the Scheme relating to 30 specified products/sub-sectors including the drug units. The Scheme is implemented at the national level through two Nodal Agencies, namely, Small Industries Development Bank of India and National Bank for Agriculture and Rural Development.

The allocation for the scheme is Rs.600 crore for a period of five years starting from October 1, 2000 or till such time as sanction of capital subsidy by the nodal agencies reaches Rs.600 crore, whichever is earlier.

Further need based support is also provided by AIDBI to SSI Units for acquiring the ISO 9000 certifications for improving the quality o the products manufactured by these Units.